

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI

UNCLAS STATE 248905

E.O. 11652: N/A

TAGS: APUB, TS

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO REPUBLIC OF CHINA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 11.2 MILLION TO TAIWAN FERTILIZER COMPANY, LIMITED, OF TAIPEI. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, WEDNESDAY, NOVEMBER 20, 1974.

QUOTE: EXIMBANK SUPPORTS DOLS 37.3 MILLION SALE OF U.S. EQUIPMENT FOR FERTILIZER PLANT IN REPUBLIC OF CHINA WITH CREDIT OF DOLS 11.2 MILLION

TO SUPPORT A DOLS 37,330,000 SALE OF U.S. EQUIPMENT AND SERVICES REQUIRED FOR AN AMMONIA-UREA PLANT IN THE REPUBLIC OF CHINA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED
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STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 11.2 MILLION

ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. THE IRVING TRUST COMPANY, NEW YORK, WILL PROVIDE FINANCING OF DOLS 5.6 MILLION WHICH WILL BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. ONE OR MORE OTHER LENDERS WILL PROVIDE FINANCING OF DOLS 5.6 MILLION WITHOUT EXIMBANK'S FINANCIAL GUARANTEE. THE OBLIGOR, TAIWAN FERTILIZER COMPANY, LIMITED, OF TAIPEI, A WHOLLY-OWNED GOVERNMENT COMPANY, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE U.S. COSTS.

THE PROJECT CONSISTS OF AN AMMONIA PLANT AND A UREA PLANT TO BE BUILT AT MIAOLI, TAIWAN, ADJACENT TO TAIWAN FERTILIZER'S EXISTING AMMONIA-UREA COMPLEX. TAIWAN FERTILIZER COMPANY OPERATES SEVEN FACTORIES PRODUCING AMMONIA, UREA, PHOSPHORIC ACID, MIXED FERTILIZERS, AND OTHER CHEMICALS. THE EQUIPMENT TO BE SUPPLIED IN THE CURRENT PROJECT WILL INCLUDE FURNACES, REACTORS, ABSORBERS AND STRIPPING COLUMNS, COMPRESSORS, HEAT EXCHANGERS, FILTERS, MIXING TANKS, PUMPS, DRYERS, AND PACKAGING EQUIPMENT. THE M.W. KELLOGG COMPANY, HOUSTON, TEXAS, WILL HAVE THE CONTRACT FOR ENGINEERING, DESIGN, PURCHASES, TRANSPORTATION, CONSTRUCTION SUPERVISION AND START-UP ASSISTANCE.

THE LOANS ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING MAY 10, 1978. EXIMBANK'S DIRECT CREDIT OF DOLS 11.2 MILLION WILL BE REPAID OUT OF THE LAST 8 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT EXTENDED BY THE PARTICIPATING COMMERCIAL BANK RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10.5 PERCENT TO 10.75 PERCENT PER ANNUM. REPAYMENT OF THE EXIMBANK AND IRVING TRUST LOANS IS TO BE GUARANTEED BY THE MINISTRY OF FINANCE OF THE REPUBLIC OF CHINA. UNQUOTE
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RELEASE ON THE
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